

NEWS RELEASE



OFFICE OF THE UNITED STATES ATTORNEY SOUTHERN DISTRICT OF CALIFORNIA

San Diego, California

***United States Attorney
Karen P. Hewitt***

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For Immediate Release

NEWS RELEASE SUMMARY - July 13, 2007

United States Attorney Karen P. Hewitt announced that today a federal jury in San Diego found San Diego Gas and Electric (“SDG&E”) guilty of three counts of violating asbestos work practice standards and one count of making false statements. The charges relate to the removal of asbestos from 9.23 miles of underground piping at the former Encanto Gas Holder Facility (Encanto facility) in Lemon Grove in 2000-2001. Two individuals, Kyle Rhuebottom (the project manager for the prime contractor on the site), and David “Willy” Williamson (an SDG&E Environmental Specialist) were each found guilty of one count of violating asbestos work practice standards.

According to Assistant U.S. Attorney Melanie K. Pierson and Special Assistant U.S. Attorney Mark Kotila, who prosecuted the case, the evidence at trial established that SDG&E and one of its employees, David Williamson, as well as SDG&E contractor Kyle Rhuebottom, violated the asbestos work practice standards of the Clean Air Act in the removal of the asbestos at the site in order to save time and money. The jury found SDG&E employee Jacquelyn McHugh not guilty of that charge.

According to court documents, in January 1998, an analysis of a sample of the coating of the underground piping at the Encanto facility indicated that the coating was regulated asbestos-containing material. Thereafter, a consultant hired by SDG&E also reached the same conclusion. SDG&E subsequently entered into a tentative agreement for the sale of the Encanto facility, and in June 2000, SDG&E began soliciting bids from contractors to handle the demolition of the Encanto facility and the removal of the underground piping. SDG&E began removing the pipe wrap without treating it as regulated asbestos containing material. The jury found that defendants SDG&E, Rhuebottom and Williamson left the Encanto facility without properly ensuring that the uncontained regulated asbestos containing material was placed in a leak-proof container. The jury also found that SDG&E failed to provide adequate notice in advance of the asbestos removal, failed to adequately wet the asbestos during removal, and falsely claimed that an SDGE employee was a certified asbestos consultant.

United States Attorney Hewitt stated, "This case reaffirms our commitment to enforce the environmental laws of the United States and to protect the health and safety of the citizens of the Southern District of California."

"SDGE put the public at risk by improperly removing more than forty thousand linear feet of potentially cancer-causing asbestos," said Granta Nakayama, EPA's Assistant Administrator for Enforcement and Compliance Assurance. "Today's convictions show that financial gain will not come before one's obligation to obey the law."

FBI Acting Special Agent in Charge Kathy D. Leodler commented, "The FBI will continue to aggressively investigate and pursue the most egregious environmental offenders to bring them before the bar of justice. Today's verdict is a victory for the citizenry of San Diego and a vindication for the citizens of Lemon Grove."

The defendants are scheduled to appear before United States District Judge Dana M. Sabraw on September 6, 2007, at 1:30 p.m. for further proceedings.

DEFENDANTS**Criminal Case No. 06-CR-0065-DMS**

San Diego Gas and Electric, Inc.	Guilty on all charges
Jacqueline McHugh	Not Guilty
David Joseph “Willy” Williamson	Guilty on One Count
Kyle Rheubottom	Guilty on One Count

SUMMARY OF CHARGES

Violation of Asbestos Work Practice Standards (failure to provide notice), in violation of Title 42, United States Code, Sections 7412 and 7413(c)(1); Maximum Penalty: 5 years in custody, and/or \$250,000 fine for individuals (\$500,000 for corporations)

Violation of Asbestos Work Practice Standards (failure to adequately wet), in violation of Title 42, United States Code, Sections 7412 and 7413(c)(1); Maximum Penalty: 5 years in custody, and/or \$250,000 fine for individuals (\$500,000 for corporations)

False Statements, in violation of Title 18, United States Code, Section 1001; Maximum Penalty: 5 years in custody, and/or \$250,000 fine for individuals (\$500,000 for corporations)

Violation of Asbestos Work Practice Standards (failure to seal in leak proof containers), in violation of Title 42, United States Code, Sections 7412 and 7413(c)(1); Maximum Penalty: 5 years in custody, and/or \$250,000 fine for individuals (\$500,000 for corporations)

AGENCIES

U.S. Environmental Protection Agency, Criminal Investigation Division
Federal Bureau of Investigation
San Diego County Air Pollution Control District